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Action Taken on the Previous Audit Reports

Follow up register of audit objections is not maintained in the Panchayat. The same may be opened forthwith and replies to the observations made in the previous audit report be expedited.

II Financial position as per General Cash Book

		Rs.
Opening balance as on 1st April 1968	...	2,220-37
Receipts during 1968-69	...	3,315-34
Total	...	5,535-71
Expenditure	...	4,532-35
Closing balance as on 31st March 1969	...	1,000-36

The closing balance as on 31st March 1969 agrees with the Treasury balance as per Treasury Schedules.

III Classification of Receipts

30 per cent L. R. received on 28th February 1969		561-00
Grant in-aid from TDB for construction of school buildings at Kothagaranahally, Gajjagaranakuppe.		1,500-00
Demand Collections	...	2,201-34
Amarai	...	43-00
Sale of Trees	...	10-00
Total	...	3,315-34

D. C. B. Taxes

Arrears of Demands as on 1st April 1968 as from budget.		10,122-00
Demand for 1968-69	...	1,584-00
Total	...	11,836-50
Collections	...	1201-34
Balance as on 31st March 1969	...	1,635-16

The D. C. B. register maintained shows a balance of Rs. 9,890-16 outstanding as on 31st March 1969 leaving a difference of Rs. 745. The correct position of the D. C. B. may be worked out eleminating the existing difference if any and correct figure may be furnished in the Budget in future.

Further immediate action may be taken to recover the heavy arrears outstanding by enforcing recovery proceedings under the provisions of section 77 of the Act so as to avoid their becoming time barred and irrecoverable.

v (a) Property Register

As per Notification No. VPC. 4628/63-64 dated 27th November 1967 of the Divisional Commissioner, Bangalore a list of properties apportioned to the V.P. has forwarded to the Chairman. But the same is not posted into the relevant Register so far. The same should be posted in the property register and produced positively during next audit along with the annual verification certificate.

(B) Stock Register

The stock register of the Panchayat was not made available with upto date entries in it. Important stock of one almirah purchased for Rs. 300 during 1968-69 has not been shown in the register. Hence this register with upto date entries and annual stock varification certificate may be produced during next audit. The reason for the omission may be duly explained.

IV Expenditure

(i) Ch. No. 5429/9th August 1968 for Rs. 30 charged as under :

10th August 1968 office contigency	...	15-00
11th August 1968 Independence Day	...	15-00

There is no voucher or particulars for Rs. 15 charged towards Independence Day.

Vouchers upto Rs. 9-75 were produced in respect of contingency charges for the balance of Rs. 5-25 again there is no vouchers as such a total sum of Rs. 20-25 is held under objection.

2. A sum of Rs. 300 has been charged off on 19th September 1968 towards purchase of one steel almirah-size 5'X4½' from M. S. Arkavathi Metal Industries, Ramanagaram. There is no stock account and quotations. Pending which the amount is held under objections.

3. A sum of Rs. 25 has been charged off on 19th September 1968 towards Name Board charges. No vouchers, Stock S/C in the file relating to this was produced. Pending production of the above, the amount is held under objection.

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4. The following amounts charged off in 14th November 1968 are not supported by vouchers or other evidence. The amount is drawn under self-cheque No. 5436 dated 14th November 1968 :—

Seminar	...	22-00
Contingency	...	8-00
Total	...	30-00

As such the amount is held under objection.

(5) Mid-day meals contributions—

A sum of Rs. 100 has been drawn out of V. P. Funds and charged off on 30th August 1968 towards Midday meals. Contributions to 3 schools as under :

(*a*) on 4th September 1968 Sri H. S. Rajashekaraiah, Government Primary Boys School, Gakkenagara-kuppe.	60-00
(*b*) on 11th September 1968 Sri S. Siddappa, Head Master, Primary Boys School, Kethayanahally.	20-00
(*c*) on 3rd September 1968. Sri Gaviyappa, Head Master, Primary Boys School, Chittanahally.	20-00
Total ...	100-00

The particulars of the vouchers presented for audit are as under. The vouchers are not issued by any merchants but they are signed by the concerned Head Masters of the schools for which there is no stock certificate or Chairman Certificate. They are detailed below :—

(*a*) Signed by Sri H. S. Rajasekharaiah on 4th September 1968 Government Primary Boys School, Gajjeganakuppe.

Onion (no quantity)	...	30-00
Chillies	...	20-00
Salt	...	5-00
Mustard	...	5-00
Total	...	60-00

(*b*) Signed by Sri S. Siddappa, Head Master, Primary Boys School, Kotayanahally 11th September 1968.

Onion 10 Kgs.	...	8–00
Chillies 2 Kgs.	...	6–00
Salt no quantity.	...	1–00
Fuel no quantity.	...	5–00
Total	...	20–00

(*c*) Signed by Sri Giriyappa, Head Master, Government Primary Boys School, Chittanahally on 3rd September 1968.

Onions 14 Kgs.	..	7–2–0
Chillies 2 Kgs.	...	7–6–0
Salt and Mustard no quantities	...	5–8–0
Total	...	20–0–0

The items purchased as above are approved by the Administrative authorities. The bills cited above are purely given by the concerned Head Masters as such the contribution is not covered by sanction of the competent authorities. Hence it is disallowed.

Construction of school works building at Gejjegarakuppe 1st bill amount of Rs. 688–56 paid by Ch. No. 5437/2-1–1969 to Sri Rangappa, contractor. In which Rs. 200 is paid as cost of materials collected etc., under item No. 4. The actual particulars of stock at sight is not recorded. However the payment was made without verfication of the correctness of the claim may be stated. Suitable action may be taken to deduct this amount in the future bills.

(2) Construction of school building at Kotagarahally contractor Sri Pyare Sab.

Particulars of payments are as detailed below.

Ch. No. 5440/21st February 1969 2nd Bill	...	500-00
5442/28th March 1968 3rd Bill	...	400-00
Total	...	900-00

The following observations are made.

Certificate in respect of arithmetical check is not recorded. In the 2nd bill the total amount is Rs. 2,081-24. A sum of Rs. 1,868–22 is allowed towards size stones work. Under item No. 2 as against Rs. 267 provided in the estimate. The reason for this vide deviation requires to be explained. When there was such a major deviation requires to be explained. When there was such a major deviation, why a modified

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estimate was not prepared and sanctioned may be explained. Pending which the amount of Rs. 900 paid during 1968-69 is held under objection.

V. General

(1) BUDGET :—The Budget was prepared on 3rd August 1968 and got approved on 7th August 1968. There is inordinate delay in the preparation and sanction of the Budget estimates which should be avoided at least in future.

VI Condition of accounts required improvement.

Memo to important irregularities noticed during the audit of accounts of the V. P. Gajigaraguppe, Magadi Taluk for the year 1968-69.

		REF to AR
1	Non-disposal of previous audit report and now production of single V. P. Accounts ...	I
2	Heavy outstanding tax arrears and poor collection of taxes ...	III
3	Non-production of voucher ...	IV
4	Non-production of stock account ...	IV
5	Irregular payment of contribution out of TDB Funds ...	IV
6	Irregular payment of work bills ...	IV
7	Delay in Budget preparation and approval ...	V
8	Improper maintenance of property register ...	V

Statetment showing the Amounts held under Objection and Proposed for Recovery.

Sl. No.	Para No. in the A. R.	Particulars	Amount Held under Objection	Proposed for recovery
			Rs. P.	
1	IV 1	Want of voucher	20-25	...
2	IV 2	Want of stock account	300-00	...
3	IV 3	Want of Voucher	25-00	...
4	IV 4	Want of Voucher	30-00	...
5	IV 5	Want of sanction	100-00	...
6	IV 7	Want of sanction for the deviation from the sanctioned estimate	900-00	...
		Total ...	1,375-25	

Audit Report on the Accounts of the Village Panchayat, Hanchikuppe, Magadi Taluk for the year 1967-68.

Date of Commencement of audit	... 26-8-1968
Date of completion of audit	... 28-8-1968
Name of the Chairman	... Sri Revanna
Name of the Vice-Chairman	... Sri Rangaiah
Name of the Secretary	Sri V. Chandrashekaraiah
Name of the Auditor	Sri K. Satyanarayana Sastry
Name of the Reviewing Officer	Sri A. V. Settey
Date of review	31-12-1968

(i) The Panchayat was last audited for the year 1966-67. The present audit is for the period from 1st April 1967 to 31st March 1968.

The accounts of the single village panchayats for the period from 1st November 1959 to 14th March 1961 were not produced for audit. The same may be produced early. Failing which the matter will have to be taken up by the higher authority.

Action taken on the Previous Audit Report :

The replies to the previous audit report has been sent to the C.E.O. on 20th February 1968. The final disposal may be reported early.

II The Financial position of the Village Panchayat as per Genreal Cash Book :—

	Rs. P.
Opening Balance as on 1st April 1957	2,740-54
Reiecpts 1967-68	2,713-85
Total	5,454-39
Payments 1967-68	3,412-76
Closing balance on 31st Marh 1968	2,041-63

The closing balance agrees with the treasury schedule.

IV Receipts :

1. Grants :

a 30 per cent L. R. Assignment on 9th March 1968	907-00
b 5 per cent L. R. grant	Nil
c 9th January 1968 greant-in-aid to run Shishuvihar at Veeregowdanadoddi	360-00

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2. *Others* :

23rd January 1968 sale of fishes	...	76-00
24th September 1967 sale of old newspaper	...	6-00
Tax writ fee collections during 1967-68	...	3-75

3. *Taxes* :

The statement of D.C.B. of taxes of the village panchayat is as under :

	Rs. P.
Opening balance arrears	4,619-82
Demands 67-68	1,896-32
Total	6,616-14
Actual collection 67-68	1,364-10
Balance	5,152-04

Immediate steps may be taken to check the heavy outstanding dues to avoid loss of revenue owing to lapse of time.

4. a Short Accountal of Tax Collection.

A sum of Rs. 8 has been collected as tax by issue of receipt No. 69 in receipt Book No. 9 on 18-9-1967. But while accounting in the collection register, cash book and remittance register, Rs. 5 only has been taken. The difference of Rs. 3 short accounted may be made good early.

The total collections made on 15th May 1967 amounts to Rs. 34.70 but while accounting in the cash book. Rs. 34.50 only is taken, thus the short account of paise 20 required to be made good early.

IV Expenditure :

1 Stock account for the following articles purchased are not maintained in the village panchayat. The same may be completed and produced for verification.

a	25-6-67 (Bill date) changed off on 7-7-67 for Majestic Printing Press, Bangalore Demand register :	3-50
b	7-7-67 bill of Vijayalakshmi stores, Magadi dated 20-4-67 purchase of 4 bulbs.	8-00
		11-50

Pending production of stock account the amount is held under objection.

2 A sum of Rs. 72 has been paid to Sri Shivalingaiah during 67-68 as shishuvihar building rent for the period from April 1967 to end of March 1968. Since there is no provision to incur such expenditure out of the grant-in-aid amount. Special sanction may be obtained. Pending such sanction the amount is held under objection. Since the Shishuvihar is not functioning since July 1967, the payments made therefore is proposed for recovery.

3 For the following amounts spent out of village panchayat funds as detailed under relevant vouchers are not forthcoming for audit verification the same may be produced early.

1	7th July 1967	Shishuvihar contingency like Register, Hand bag etc.	14-00
2	12th August 1967	Independence day Celebration schools.	30-00
3	30th December 1967	subscription to Prajavani paper.	12-60
4	31st March 1968	do	12-60
		Total	69-20

Pending production of vouchers the amount of Rs. 69-20 is held under objection.

4 A sum of Rs. 100 has been paid for purchase of 54 Electric Bulbs on 4th August 1967 as detailed under :

a	8th August 1967	M/s. Bhoopalachand	30 Bulbs
b	8th August 1967	M/s. Sarda Electric House	24 Bulbs
		Total	54 Bulbs

but in the stock account only 50 bulbs have been accounted for. The distribution is also shown for 50 bulbs. The reason for not accounting bulbs may be stated. Pending which the cost of 4 bulbs amounting to Rs. 7.50 is proposed for recovery.

5 A sum of Rs. 100 has been charged off in the office cash book on 1st February 1968 towards purchase of street light bulbs on 21st February 1968. 48 Bulbs at a cost of Rs. 8,728 has been purchased from Manohar Electric Corporation and accounted for in the stock account. The balance amount of Rs. 12.72 is not supported by any vouchers, nor the amount is refunded. Hence Rs. 12.72 is proposed for recovery.

V General

1 Budget :

It is prepared on 20th April 1967 and approved on 5th June 1967. The delay in this behalf may be strictly avoided in future.

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2 Newspaper Prajavani has been subscribed during 1967-68. The same may be sold and amount realised credited to village panchayat funds.

3 Foodgrain Department Accounts :

The foodgrain depot accounts are being maintained for the period from 14th November 1964. Separately and written upto the period of audit. The amounts drawn to run this Depot out of V. P. funds are as under :

14-11-1964	545-00
16-12-1964	101-00
5-8-1965	210-00
Total	856-00

Rs. 50 has been deposited with Deputy Commissioner in the form of N.D.C. No. C/2, 369954 dated 16th March 1968 for issue of licence to run the Depot. This may be taken to the register of Deposits and accounted for duly.

VI. Condition of Accounts.

It requires improvement.

Levy of Cesses :

(i) Health cess at Re. 0.09 on a rupee as taxes on lands and buildings, taxes on vehicles, taxes on profession, trades, callings and employment has not been collected from 1st April 1962 as required by the Health Cess Act, 1962.

(ii) Library Cess at Re. 0.03 on a rupee as taxes on lands and buildings has not been collected from 1st April 1966 as required by the Mysore Public Libraries Act, 1965.

Immediate action may be taken to collect the same and credit the realisations to Government under intimation to this office.

I Memo of Important Irregularities noticed during the Audit of Accounts of the Village Panchayat Hanchikuppe, Magadi Taluk for the year 1967-68.

1	Non-production of single V. P. accounts for audit and non-disposal of previous audit report.	Part I
2	Short remittance of amount collected	IV
3	Non-maintenance of stock account	IV
4	Non-production of voucher	IV

Statement showing the money held under objection and proposed for recovery.

Part II para 4 (a) and (a)			...	3·20
IV	1		11.50	...
	2		72.00	...
	3		69.00	...
	4		...	7.20
	5		...	12.72
		Total ...	152.70	23.42

Audit Report on the accounts of Village Panchayat "Taggikuppe", Magadi Taluk for the year 1966-67.

Commencement of audit ... ... 20-5-1967.
Completion of audit ... ... 22-5-1967.

Chairman : Sri S. Gangaiah.
Vice-Chairman : Sri R. Kenchappa.
Secretary : Sri Doddarasasetty, Sri Shivanna, G. N. V. L. W. from July 1966.
Auditor : Sri K. Satyanarayana Sastry.
Reviewing Officer : Sri Ramachandra, B.SC., Audit Superintendent.
Date of review : 17-7-1967.

I. Accounts of the Panchayat were last audited for the year 1965-66 and the present audit is for the period from 1st April 1966 to 31st March 1967.

The accounts of the single V.Ps. for the period from 1st January 1959 to 31st March 1961 were not produced for audit even during this time. The same may be produced early.

Action taken on the previous Audit Report. Replies to the previous audit report may be expedited.

II. The financial position of the V. P. as per General Cash Book.

II. The Financial Position of the V. O. as per General Cash Book.

		Rs. P.
Opening balance as on 1-4-1966	...	2,532-85
Receipts during 1966-67	...	718-00
	Total	3,250-83
Payments during 1966-67	...	582-69
Closing balance as on 31.3-1967	...	2,668-14

The closing balance agrees with the Treasury Schedules produced.

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III. Receipts:

(1) *Grants*:

1. 30 per cent L. R. Assignments Rs. 718-00
2. 5 per cent L. R. Assignment Nil

(2) *Taxes*:

The demand Register of the V. P. was not made available for audit. Whether the register has been posted may be stated. Correct D. C. B. figures may be furnished for audit verification at the time of next audit. Non-tax collection are made during 1966-67. The reasons for non-collection of taxes may be explained and urgent steps taken to collect the outstanding arrears.

IV Expenditure:

(1) Repair to D.W. Well at Bychapura.

The estimate is sanctioned for Rs. 350 and the first and final bill amount of Rs. 285-35 has been paid to Sri Byrappa by Ch. No. 2983, dated 8th September 1966. The work agreement and completion report are not forthcoming for audit, pending production of which, the amount is held under objection.

(2) Urgent repairs to Bychapura P. B. School building.

Estimate is sanctioned for Rs. 55 first and final bill amount of Rs. 50-34 paise has been paid to Sri Patel Gangaiah by Ch. No. 2984, dated 23rd September 1966. As seen in the work records the school buildings does not belong to the V. P. Hence the cost of repairs out of V. P. funds is not correct. The circumstances under which this work was undertaken and paid for may be explained and the amount of Rs. 50-34 may be recouped to the V. P. funds immediately.

V. General:

(1) Budget:

It was not produced for audit, whether the same is approved may be stated. The same may be produced during next audit.

VI. Condition of Accounts.

It requires improvement:

I. Memo of important irregularities noticed during the audit of accounts of the V. P. Taggikuppe, Magadi Taluk for the year 1966-67.

1 Non-production of single V. P. accounts for audit and non-disposal of previous audit reports ... Part I

2 Non-collection of V. P. Tax dues ... Part III

3 Irregular payment of cost of repairs to P. B. School out of V. P. funds ... Part IV

II. Statement showing the amounts held under objection and proposed for recovery.

Sl. No.	Reference to para No. in Audit Report	For want of vouchers, etc.	For recovery
1.	Part IV Para 1	282.35	...
2.	Part IV Para 1	...	50-34
	Total ...	282.35	50-34

1 Accounts of the V.Ps. Gejjegaraguppe and Thaggikuppe have been audited upto end of 31-2-69.

Accounts of V. Ps. Nethenalhalli and Veregowdanadoddi have been audited for the periods upto 31-3-1968 only due to non-production of accounts for audit.

2 The following Audit Reports issued for the latest year in respect of these V.Ps. are enclosed to this letter.

1 Gejjegaraguppe for 1965-68 and 1968-69.

2 Thaggikuppe for 1966-67 and 1967-68.

3 Hanchikuppe (Veeregowdanadoddi) for 1967-68—not audited for 1968-69.

4 Nethenahalli for 1965-66—Not audited for 1966-69.

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3 Complete information regarding the amount sanctioned, amount spent in respect of Development works is not available from the audit reports as comments are offered in the Audit Reports wherever there are irregularities. However, the amounts as observed in the A.R.s' of these V.P.'s in respect of development works is furnished as under :—

Sl. No.	Name of V.P.	Period covered in audit	Amount of Development works in respect of which comments are made in the Audit Reports.
1	2	3	4
1	Gejjagaraguppe	23-12-60 to 31-3-65	A sum of Rs. 735 is objected for want of work records. A sum of Rs. 240 is objected for want of sanction, etc.
	Do	65-68	In respect of a total sum of Rs. 701-15 paid towards works, the completion reports and agreements not produced to audit.
	Do	68-69	Payment of Rs. 900 is held under objection for want of explanation for large variation between the amount of original estimate and the outlay actually incurred.
2	Thaggiguppe	62-63	It is mentioned in the audit report that a sum of Rs. 105-40. a sum of Rs. 134-39 etc., have been paid towards works.
	Do	63-64	A sum of Rs. 851 paid towards drainage work is objected for want of certain records.
	Do	64-65	No payment was made to wards Public Works.
	Do	65-66	A sum of Rs. 344-53 paid towards repairs to D. W. Well is objected for want of connected work records.
	Do	66-67	A sum of Rs. 282-35 paid towards repairs to D. W. Well is objected for want of completion repart and agreement.

	Do	67–68	No comments in the A. R. about the expenditure incurred in respect of development works.
L.A. 3	Hanchikuppe (Veeregowdanadoddi)	63–64	A sum of Rs. 453 is objected for want of utilisation certificate. A sum of Rs. 117 is proposed for recovery in respect of payment made towards Public Works. A sum of Rs. 112-12 is proposed for recovery for want of provision for this item of Work.
	Do	64–65	No mentioned regarding payments towards public works during the year.
	Do	65–66	Utilisation certificate is due to a sum of Rs. 231 adjusted as grant towards works. A sum of Rs. 1,500 was paid as contribution to the work of Rural High School.
	Do	66–67	A sum of Rs. 256-65 paid towards the rapairs to approach road is held under objection for want of work records.
	Do	67–68	No mention regarding payment towards works during the year.
	Nethenahally	62–64	A sum of Rs. 465 adjusted in 62–63 and another sum of Rs. 493 adjusted in 63-64 towards 5 per cent L. R. Grant for works are held under objection for want of utilisation certificates.
	Do	64–65	A sum of Rs. 1083-32 paid towards drainage work is held under objection for want of tenders and sanction.
	Do	65–66	A sum of Rs. 79 adjusted as 5 per cent L. R. grant is held under objection for want of utilisation certicate. A total sum of Rs. 2,55,483 was paid towards drainage work at Nethenahalli.

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Report on the audit of account of Nethenkhalli, V. P. Magadi Taluk

Date of commencement of audit	...	5-12-66
Date of completion of audit	...	5-12-66
Name of the Chairman ...	...	Sri K. Gangadhraiah.
,, Vice-Chairman ...	...	Sir M. Ramaiah.
,, Secretary ...	...	Sir Dodda Mariyappa.
,, Auditors ...	...	Sri H. V. Gundu Rao.
,, Reviewing Officer ...	...	Sri Ramachandra, B.SC., Accounts Supt.

Date of review : 1st March 1967

Part I

The accounts of the Group V. P. were last audited on 18th October 1965 for the period 1964-65. The present report is for the period from 1st April 1965 to 31st March 1966.

The replies to the audit objection of the previous audit reports have been furnished to end of 31st March 1964 to the C.E.O., Magadi on 7th September 1965 but not finalised. The replies for the audit objections for the period 1964-65 are due. The despatch of the replies may be expedited.

The accounts of the single V. P.s from 1st November 1959 to 28th February 1961 were not produced for audit even during this time. Suitable action may me taken in this matter.

Financial position of the V. P. for the period 1965-66 was as follows :—

Opening balance	...	Rs. 3,421-34
Receipts during 1965-66	...	Rs. 956-16
	Total	Rs. 4,377-50
Expenditure during	...	Rs. 2,242-01
Closing balance as on 31st March 1966		Rs. 2,135-49

The closing balance of the general cash book was verified with the Treasury pass book and found to agree.

Part II

(1) Receipts of the V. P. are analysed as under :

L. R. Grant at 30 per cent	...	Rs. 825-00
House Tax	...	2-16
Re-credit towards seed Ragi	...	50-00
L.R. 5 per cent for road work (1964-65)	...	79-00
Total		Rs. 956-16

(2) **House Tax :**

The assessment register has been written up for 1965-66 but not posted upto date. This may be attended to. The collection of House Tax is very poor. Immediate action is called for to collect heavy outstanding arrears. The arrears to end of, 1965-66 is Rs. 6,735-26.

(3) **Grant Register :**

This register has not been maintained in the V. P. This is a serious omission. This needs immediate attention. A sum of Rs. 79 was alloted to the V. P. on 25th March 1966 for the year 1964-65. Utilisation certificate is due in this regard. This may be furnished early pending which, the amount is held under objection.

(4) **Budget :**

Budget for the year 1965-66 was not made available for audit. This may be produced, for verification during next audit.

Part III

(1) **Expenditure :** A sum of Rs. 150 was drawn in Ch. No. 3623 dated 29th November 1965 and paid Rs. 131-50 for the purchase of seed Ragi and out of which Rs. 50 was recredited to V. P. fund on 15th March 1965 and the balance of Rs. 81-50 was outstanding at the end of the financial year. This may be refunded immediately. In the meanwhile, the amount is held under objection.

(2) A sum of Rs. 230 was drawn in Ch. No. 3624 dated 6th December 1965 for the purchase of Defence Savings Certificates out of V. P. funds. The details of bonds are as under :

				50-00	
B. 2.	643841		Rs.	100-00	12 years
	643840		Rs.	100-00	,,
		Total	Rs.	250-00	

The particulars of the bonds may be got recorded in the investment register and produced for verification of audit, pending which the amount is held under objection.

(3) A sum of Rs. 25-50 has been paid in Ch. No. 3626 dated 15th March 1966 towards to purchase of plough to the V. P. This may be taken to the stock register and produced for audit, pending which, the amount is held under objection.

(4) **V. P. Works** :—Drainage work at Nethenahalli, at an estimated cost of Rs. 2,400. The above work was undertaken by the V.P. without calling for tender and the work was entrusted to the contractor, Sri M. T. Krishnappa for 3 per cent more than the estimated value as

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cited above. No Sanction was accorded by the V. P. in this regard. The first bill was passed and paid in Ch. No. 3617 dated 2nd January 1966 for Rs. 1,083.32 and bill was paid in Cheque No. 3619 on 10th June 1965 for Rs. 1,471.51. The estimate was raised for Rs. 2,582 on 10th June 1965. The total amount paid in respect of the above work was Rs. 2,554–83 against the estimates cost plus 3 per cent amounting to Rs. 2,472. This results in an excess payment of Rs. 82–83. This requires to be recovered immediately, besides furnishing explanation for not calling for tenders and for allowing 3 per cent higher than the estimated cost. Further a sum of Rs. 32-08 is due towards royalty from the contractor. This may be recovered and credited to Government.

Part IV (General)

(1) The cash account is not being sent to the audit office regularly on or before the 10th of every month. This may be promptly attended to.

(2) The stock verification certificate may be got recorded in the stock register as on 1st April 1966.

Resul to faudit :—

The maintenance of registers and accounts is not satisfactory and requires improvement.

Memo of important irregularities on the audit of Accounts of Nethenahalli V. P.

(1) Non-refund of advance of Rs. 131–50 drawn by the Chairman for the purchase of seed Ragi.
(2) Non-disposal of audit objections of the previous audit raports.
(3) Excess payment in work bills.

Statement showing the amounts held under objection.

Sl. No.	Nature of objection	Ref. to A. R.	Amount held under objection	Amount for recovery
1	Want of utilisation certificate.	P III (3)	79–00	
2	Advance drawn for seed ragi.	P III (1)		81–50
3	Defence certificates for want of entry in inventory register.	(2)	250–00	
4	Purchase of plough do	(3)	25–50	
5	Excess payment in work bills.			82–83 32–08
	Total ...		354–50	196–41

Report on the audit of Accounts of Village Panchayat 'Thaggiguppet', Magadi Taluk for the years 1967-69

Date of Commencement of audit :	27-12-1969.
Date of completion of Audit :	31-12-1969.
Name of the Chairman : Sriytuhs :	1. S. Ganpaiah up to 25-4-1968.
	2. B. S. Rangaiah from 26-4-1968
Name of the Vice-Chairman : ,,	1. R. Kenchappa, up to 25-4-1968
	2. T. Shivalingaiah from 26-4-1968
Name of the Secretary :	1. Sri Shivanna up to 12-5-1967.
	2. Sri B. Yelakkaiah from 1-6-1967
Name of the Auditor :	Sri K. Ramachandra Rao, B.Sc.,
Name of the Reviewing Officer :	Sri P. Chandrashekara Royal
Date of Review :	28-2-1970.

The Panchayat was last audited for the period up to 31-3-1967 and the present audit is for the period from 1-4-1967 to 31-3-1969.

The Accounts of the single V. Ps. for the period from 1-11-1959 to 31-3-1961 were not produced even during this time. Action may be taken to produce the same at least during the next audit.

Action taken on the previous audit reports

The audit objection minute Book was not produced for verification. Action may be taken to furnish replies to all the pending audit repots and the said audit objection minute book may be produced during next audit for verification.

II. Financial Position as per General Cash Book :

O.B. as on 1-4-1967		2,668-14
Receipts during 1967-68		1,856-30
Total	...	4,524-44
Payments during 1967-68		881-25
O.B. as on 1-4-1968		3,643-19
Receipts		1,653-88
Total	...	5,297-07
Payments		1,267-00
C.B. as on 31-3-1969		4,030-07

The closing balance agrees with the Treasury balance as on 31-3-1969.

(SRI P. M. NADGOUDA)

III. (*a*) Classification of Receipts: for 1967-68.

1	30 per cent L.R. for 67-68 not accounted.		
2	Taxes on lands and Buildings	1,820-00	
3	Licence fee	36-00	
	Total ...		1,856-30

(*b*) for the Year 1968-69

1	30 per cent L.R. for 67-68 adjusted during May 1968		718-00
2	30 per cent L.R. for 68-69 adjusted to V.P. on 28-3-1969		539-00
3	Tax on lands and buildings		395-38
4	Miscellaneous		1-50
	Total ...		1,653-88

IV. D.C.B. of Taxes:

(*a*)	Arrears of taxes as on 1-4-1968	2,301-08
	Demand for 68-69	426-73
	Total ...	2,727-81
	Collections	395-38
	Balance as on 31-3-1969	2,332-43

Heavy arrears are outstanding. Immediate action may be taken to recover the same by enforcing the recovery proceedings as per Section 77 of the Act, so as to aviod the arrears, becoming time barred and irrecoverable.

(*b*) Non-Collection of Cesses:

Immediate action may be taken to collect the Health Cess and Library Cess as required by the Mysore Health Cess Act, 1962 and Public Libraries Act, 1965 respectively and credit the realisation to Government and District Library Officer concerned under intimation to this office.

V. Expenditure:

1 A sum of Rs. 150-00 drawn out of Cj. No. 2998/30-8-1968 has been charged off towards Deposit for issue of foodgrains Licence and the Pass Book is stated to have been pledged with the Deputy Commissioner. This should be accounted for in the Deposit Register, and produced during next audit. The amount is placed under objection. Further Rs. 4 spent out of the same cheque towards Licence fee for ssue of Foodgrains should be made good to V. P. funds immediately,

out of the profit on account of food transaction and the credit pointed out.

2 A sum of Rs. 800 has been drawn on self Ch. No. 3651/ 9-10-1968 to deal in foodgrins at own risk. This should be accounted for in the advance Register in Form No. 54 and detailed food accounts produced during next audit. Pending which the sum of Rs. 800 is held under objection.

VI. Budget: The Budget for the year 1967-68 was prepared and got approved by the Chief Executive Officer on 13-8-1968. Prescribed dates may be adhered to in future in the preparation and submission of the Budget Estimates.

VII. General: 1. The stock Register in Form Nos. 43 and 45 may be produced during next audit with annual stock verification certificate duly recorded thereon.

2 Properties apportioned to the Panchayat *vide* Annexure appended to Notification No. 4628 MSC 63-64 dated 16th October 1967 of the Divisional Commissioner, Bangalore Division, Bangalore, should be accounted for in the Register of immoveable properties in Form No. 44 and produced for verification during next audit after fulfilling the requirements as required by Section 50 of the Act.

3 All paid vouchers may be duly cancelled noting the date of payment thereon under the attestation of the Chairman.

VIII. Result of the Audit:

Maintenance of accounts and registers require considerable improvement.

1. Memo of serious irregularities noticed on the audit of the Accounts of V. P. Thaggiguppe, Magadi Taluk for the year 1967-68.

		Ref. to para of A.R.
1	Non-production of single V. P. accounts and non-furnishing of replies to the previous audit reports	I
2	Poor collection of V. P. Arrears	IV (a)
3	Non-levy and collection of Cesses	IV (b)
4	Non-production of investment Register	V (1)
5	Non-production of food accounts	V (2)
6	Non-production of immoveable property Register	VII (2)

(SRI P. M. NADGOUDA):

II. Statement of amounts held under objection.

Sl. No.	Nature of objection	Ref. to A. R.	Amount held under objection	Proposed for recovery
1	Want of investment Register	V (1)	154-00	
2	Want of Advance Register and food accounts	V (2)	800-00	
		Total	954-00	

Audit Report on the Accounts of the Village Panchayat, Gejjigaraganne, Magadi Taluk for the year 1965-68.

Date of commencement of audit	...	5th August 1968
Date of completion of audit	...	13th August 1968
Name of the Chairman	...	Sri C. R. Venkatappa
Name of the Vice-Chairman	...	Sri K. Sanjeevaiah
Name of the Secretary	...	Sri K. H. Honnaiah from 1st October 1965.
Name of the Auditors	...	Sri K. Sathyanarayanasastry Sri K. Ramachandra Rao
Date of review	...	24th October 1968
Name of the Reviewing Officer	...	Sri A. V. Setty

1. The Panchyat was last audited for the year 1964-65. The present audit for the period from 1st April 1965 to 31st March 1968.

The accounts of the single Village Panchayats for the period from 1st November 1959 to 23rd December 1960 were not produced for audit even this time failing which the matter will have to be taken up with higher authority.

Action taken on the Previous Audit Report

The replies to the previous audit report is still pending. The same may be sent immediately.

II. The Financial Position of the Village Panchayat as per General Cash Book.—

Opening balance as on 1st April 1965	...	1,152-02
Receipts 1965-66	...	785-00
Total	...	1,937-02
Payments 1965-66	...	1,161-15
Balance as on 31st March 1966	...	775-87
Receipts 1966-67	...	785-00
Total	...	1,560-47
Payments 1966-67	...	382-00
Balance as on 31st March 1967	...	1,178-87
Receipts 1967-68	...	1,241-50
Total	...	2,420-37
Payments 1967-68	...	200-00
Closing balance as on 31st March 1968	...	2,220-37

The closing balance agree with the Treasury Schedules.

III. Receipts—

I. Grants :—

2. 30 per cent L. R. Assignment :

		Rs.
1965-66 on 14-8-1965	...	661-00
1966-67 on 10-8-1966	...	661-00
1967-68 on 7-3-1968	...	661-00
		1,983-00
5 per cent L. R. Assignment :		
1965-66 on 25-3-1966	...	124-00
1966-67 on 21-3-1967	...	124-00
1967-68	...	nil
		248-00

Separate account may be maintained in respect of 5 per cent conditional grants received and produced for audit. Pending which the amount is held under objection.

(SRI P. M. NADGOUDA)

2. Taxes :—

The Statement of demand, collection and balance of taxes of the Village Panchayath is detailed as under :—

		Rs. P.
Opening balance of arrears	...	7,520-00
Demands 1965-66	...	1,584-00
Total	...	9,104-00
Actual Collection 1965-66	...	nil
Balance	...	9,104-00
Demand 1966-67	...	1,584-00
Total	...	10,688-00
Demands 1967-68	...	1,584-00
Total	...	12,272-00
Actual Collection	...	580-50
Balance	...	11,691-50

Immediate steps may be taken to reduce the heavy outstanding arrears as the same is pending for a long time, and there may be likelihood of loss of revenue owing to lapes of time.

3. Short Accountal of Tax Collection :

A sum of Rs. 5 has been collected under receipt No. 35 in receipt Book No. 2, dated 31st January 1968 from Ningaiah *alias* Ningaiah but the same is accounted in the Tax Collection Rigister as Rs. 4. Thus Re. 1 which is short accounted may be made good early.

4. A number of overwritings have been noticed in the receipt books which should be avoided stricly in future.

IV. Expenditure—

A sum of Rs. 300 has been paid to the Tahsildar, Magadi, by cheque No. 5116 dated 1st November 1965 towards purchase of cattle feed. The amount is reported to have been adjusted to CEO. by No. 78/14-4-67. Since the debit has not been shown in the Treasury account of the V. P. immediate action may be taken to address the C.E.O. and Tahsildar in this matter and the amount got adjusted into Village Panchayat funds.

2. A sum of Rs. 120-00 has been paid to Sri K. H. Honnaiah as his pay for 12 months from 1st October 1965 to 30th September 1966 at Rs. 10 p.m. by cheque No. 5419 dated 30th September 1966. Since Sri K. H. Honnaiah is a trained Secretary, working in Belagavadi village panchayath he is only in additional charge of this panchayath for which work he is not entitled to extra remuneration. The order sanctioning Rs. 10 per month was also not made available to audit. Hence, the amount of Rs. 120 is proposed for recovery.

3. The following are the amounts paid as contribution towards midday meals to various schools as noted under for this amount competent sanction as required by rules have not been taken so far, the details of the amounts paid are as under:

Cheque No. and date	Particulars	Amount
		Rs. P.
1. 5420/30-9-1966	To the Head Master, V.P.B.S. Geriagaragu pe towards Mysore care Emergency Feeding centre.	
2. 5425/26-9-1967	To the Head Master, Government Senior P.B.S.G. Kuppe, towards Mid-day meals.	100-00
	To the Head Master, Government P.B.S. Chittanahalli, towards Midday meals.	50-00
		50-00
	Total ...	200-00

Pending Sanction the amount is held under objection.

4. In case of the following two works completed, agreement on stamped paper and completion reports are not produced this may be produced early.

Particulars of works	Amount
	Rs. P.
a. Construction of Low Level culvert at Chittanahalli Estimate Rs. 690 1st and final bill paid to the Contractor Sri Ramanna Cheque No. 5417/16-11-1965.	229-47
b. Repairs to approach road at Chittanahalli from M. J. Road estimate Rs. 580 contractor Sri Ramanna I and final bill paid by cheque No. 5415/18-10-1955.	471-68
Total ...	701-15

Pending production of agreement and completion report the amount is held under objection.

(SRI P. M. NADGOUDA)

5. A sum of Rs. 12 has been paid to the C.E.O. by cheque No. 5422/27-11-1966 towards youth-rally. The payees acknowledgment is not produced. Pending producsion of which the amount is held under objection.

II. General

1. Budget:

The dates and preparation and approval of budget are as below :

Years	Date of approval	Date of preparation
1965-66	17-10-1965	18-10-1965
1966-67	25-8-1966	13-9-1966
1967-68	24-6-1967	18-7-1967

The delay in this behalf may be strictly avoided in future.

2. Office Cash Book:

A new cash book is opened from 23rd December 1960. The audit now was taken up for the period from 1st April 1965 to 31st March 1968. The audited cash book up to 64-65 is reported to have been lost. The circumstances leading to the loss of the cash book which is an important initial record may be investigated and the fact intimated to audit.

VI. Condition of Accounts :—

Enquiries improvement.

Memo of Important Irregularities noticed in the Audit of Accounts of the Village Panchayat, Gejjagaraguppe, Magadi Taluk for the years for 1965-68.

		Ref. to A. R.
1.	Non-production of single Village Panchayat accounts for audit and non-disposal of previous audit reports	Part I.
2.	Poor collection of house tax arrears	,, III.
3.	Loss of first office cash book	,, V.
4.	Non-production of voucher	,, IV.

II. Statement showing Money Value held under Objection and proposed for Recovery.

Sl. No.	Ref. to Para No. in A.R.	For want of voucher	For recovery
		Rs. P.	Rs. P.
1	Part III Para 1 (a)	248-00	
2	,, III ,, 3	...	1-00
3	,, IV ,, 1	...	300-00
4	,, ,, 2	...	120-00
5	,, ,, 3	200-00	...
6	,, ,, 4	701-15	...
7	,, ,, 5	12-00	...
		1,161-15	421-00

(SRI P. M. NADGOUDA)

APPENDIX "B"

Statement showing the amount sanctioned and amount spent in the following 4 V.Ps. during last Five years.

Sl. No.	Name of the V.P.		1964–65			1965–66		
			Name of the work	Amount sanctioned	Amount spent	Name of the work	Amount sanctioned	Amount spent
				Rs. P.	Rs. P.		Rs. P.	Rs. P.
1	Hanchikuppe	...	D.W. Well	300-00	15-00	Nil	...	...
2	Gejjagarkuppe	...	...	Nil	...	Repairs to Road	959-00	701-15
3	Nethenahalli	...	Drainnge work	2,400-00	1,083-32	Drainage work	2,000-00	1,471-51
4	Thaggikuppe	...	...	Nil	...	D.W.Well	500-00	344-53

Sl. No.	Name of the V.P.	1966-67			1967-68			1968-69		
		Name of the work	Amount sanctioned	Amount spent	Name of the work	Amount sanctioned	Amount spent	Name of the work	Amount sanctioned	Amount spent
			Rs. P.	Rs. P.		Rs. P.	Rs. P.		Rs. P.	Rs. P.
1	Hanchikuppe	Road work	300-00	265-65	School Bldg.	1,500-00	300-00	D.W. well	300-00	87-00
					Repairs to VP Bldgs.	200-00	139-64			
2	Gejjagarkuppe	...	Nil	...	...	Nil	...	D.W. wells	1,400-00	1,131-85
								School Bldg.	1,000-00	2,465-50 (Out of which T.D.B. has paid Rs. 1,500-00 for school Bldg.)
3	Nethenahalli	D.W. Wells	1,200-00	745-37	...	Nil	...	School Bldg.	3,386-00	2,100-00
		Road Work	1,050-00	130-50				Road Repairs	300-00	160-00
4	Thaggikuppe	D.W. Wells	1,000-00	282-35	D.W. Wells	500-00	171-25	...	Nil	...
		School Bldg.	430-00	50-34						